

FISCAL NOTE

SB 832 - HB 725

March 5, 2001

SUMMARY OF BILL: Enacts the *Tennessee Insurance Fraud Prevention and Investigation Act of 2001* which:

- Provides Department of Commerce and Insurance investigators shall have the power to execute arrest and search warrants, make arrests and bear arms in the performance of their duties. Such investigators must be in compliance with all applicable laws relative to the employment and training of police officers.
- Provides that anyone committing a "fraudulent insurance act" shall be punished as in the case of theft as provided in TCA 39-14-105.
- Provides that anyone who, with the intent to prevent identification by the true owner, removes, erases, defaces, or otherwise alters any serial number or other mark of identification placed on any item of personal property by the manufacturer, or anyone who possesses the item with such knowledge, shall be guilty of a Class A misdemeanor.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$32,000/Incarceration*
\$50,000/Dept. of Commerce & Insurance

Increase Local Govt. Revenues - Not Significant
Increase Local Govt. Expenditures - Not Significant

Assumes:

- the cost of incarceration for 2 Class E felonies, 1 Class D felony, and 1 Class C felony.
- an increase in state expenditures to the Department of Commerce and Insurance for enforcement of the provisions of this bill relative to investigators of the department having the power to execute arrest and search warrants, make arrests and bear arms.
- local impact depends upon the number of persons convicted of this offense and the resulting increased cost to local governments to confine such persons versus the increased revenues to local governments from fines levied and collected under the provisions of this bill.

*Section 9-6-119, TCA, requires that: *For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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